

REQUEST FOR PROPOSAL  
TO REVIEW, MONITOR AND IMPLEMENT RECOMMENDATIONS  
FROM THE PHASE II FINAL REPORT OF NEW JERSEY'S ELECTRIC UTILITIES' SYSTEM  
RELIABILITY

Pursuant to N.J.S.A. 48:2-16.4

DOCKET NO. EX99070483

Conectiv Docket No. EA99070484  
GPU Energy Docket No. EA99070485  
PSE&G Docket No. EA99070486  
Rockland Electric, Docket No. EA99070487

New Jersey Board of Public Utilities  
Two Gateway Center  
Newark, New Jersey 07102

## SECTION 1. GENERAL INFORMATION

1.1 Introduction. The New Jersey Board of Public Utilities (Board) issues this Request for Proposal (RFP) pursuant to N.J.S.A. 48:2-16.4 to secure the services of a Consultant firm to review and, monitor the implementation of the recommendations (Phase III) from the Board Ordered Phase II Review and Investigation for New Jersey's four electric utilities: Conectiv Board Order Docket No. EA99070484 Dated May 15, 2000; GPU Energy Board Order Docket No. EA99070485 Dated May 1, 2000; Public Service Electric & Gas Company Board Order Docket No. EA99070486 Dated May 25, 2000 and Rockland Electric Company Board Order Docket No. EA99070487 dated May 25, 2000. This Phase III review is to be conducted on a Time and Material basis including a not to exceed cost over a period of time with an estimated completion date of June 29, 2001. The winning bidder will, at the direction of staff, assist in reviewing, monitoring and the implementation of the critical recommendations of concern to the Board as discussed in 1.2 Scope.

1.2 Scope. As a result of the electric utilities' outages occurring between July 3 and July 8, 1999, the Board ordered its Staff to initiate an investigation as to the electric utilities' system reliability now and in the future. Reports were obtained from an outside consultant, and staff of the Division of Service Evaluation reviewed the recommendations of the consultant and, as enhanced and modified by Staff, the recommendations were adopted by the Board in its Orders. The final reports for GPU and Conectiv were adopted by the Board on April 26, 2000 and the final report for PSE&G and Rockland on May 25, 2000. The consultant will assist staff in reviewing and monitoring the implementation of the following recommendations: adopted by the board in their respective Orders. The recommendations are listed referencing their respective Board Orders and the individual consultant reports noted below:

The Board's order for GPU Energy, Docket No. EA99070485, included 18 recommendations with the following 6 critical recommendations that are within the scope of this RFP:

Recommendation No.

1. (IIA-R1 and IIA-R2) Review the plan and results of the inspection, testing and maintenance of substation transformers and related equipment to reduce susceptibility to greater than n-1 contingencies.
3. (IIC-R1) Develop a targeted CAIDI performance improvement program including analyses of required labor resources, information technology support, and maintenance practices. The program should provide for preparation of annual plans that include specific CAIDI performance targets and quarterly reports of statewide as well as operating division results. Annual plans should also include an analysis and remediation plan for 10% of the worst performing feeders.
4. (IID-R1) Review the adequacy of the Workforce Management study (including contractors) and related issues to ascertain including a gap analysis of reliability requirements v. resource adequacy and whether GPUE has adequate workforce to provide safe, adequate and proper service to its customers.
5. (IID-R3) Review and evaluate new SCADA system and EMS Replacement KEMA study and analyze whether it incorporates adequate capabilities to facilitate dispatcher monitoring and control at transmission, subtransmission and distribution levels to ensure adequate service reliability.
7. (IIA-R3) Review and evaluate the substation lighting protection study and remediation plan at Redbank and all other substation locations.
13. (IIA-R2) GPU shall internally audit transmission and distribution maintenance programs and practices to assure conformance with maintenance guidelines and policies,

including manufacturer inspection and testing guidelines adopted by GPUE as its own.

The Board's Order for Conectiv Docket No. EA99070484 included 21 recommendations with the following 5 critical recommendations that are within the scope of this RFP:

Recommendation No.

1. (IIA-RI) Review and evaluate the New SCADA system and analyze whether it incorporates adequate capabilities to facilitate dispatcher monitoring and control, at distribution levels to ensure adequate service reliability.
4. (IIA-R4) Review and evaluate for adequacy the Planning study of costs/schedules on Reliability and Load criteria for Long Beach Island.
14. IIIB-R3) Review and evaluate for adequacy the Study of the predictive maintenance program on Conectiv's distribution assets.
16. (IIC-R2) Review targeted CAIDI performance improvement programs including analyses of required labor resources, information technology, support and maintenance practices.
19. (IID-R1) Review the study and adequacy of the Workforce study (including contractors) and related issues to ascertain whether Conectiv has adequate workforce to provide safe, adequate and proper service to its customers.

The Board's Order for PSE&G Docket No. EA99070486 included 23 recommendations with the following 2 critical recommendations that are within the scope of this RFP:

Recommendation No.

3. (IIA-R3) Review and evaluate for adequacy of the capacity and load study for the Bergen Switch, Great Notch and Totowa substation.
11. (IIA-R8) Review and evaluate for adequacy the capacity and load study to Assess Mechanic Street Substation for future summer peak load and temperature conditions at the One Call capacity.

The Board's Order for Rockland Electric, Docket No. EA99070487, included 6 recommendations with 1 that is included in the scope of this RFP:

1. (IIA-R11) Review and evaluate the Study for the need and upgrade of Cresskill Substation as previously identified in the Eastern Division Five-Year Contingency Study.

1.3 Utilities To Be Assessed.

Atlantic Electric Company (Conectiv) EA99070484, Jersey Central Power & Light Company (GPU Energy) EA99070485, Public Service Electric & Gas Company (PSE&G) EA99070486, and Rockland Electric Company (RE), EA 99070487.

1.4 Objective. The consultant will assist staff in monitoring and reviewing of all information supplied by the utility to staff in connection with the implementation of the recommendations as ordered by the Board. The implementation will help the Board in fulfilling its obligation to ratepayers in providing safe and adequate service now and in the future based on the changes taking place in the electric industry.

1.5 Schedule. It is the Board's intention to adhere to the schedule as proposed (Attachment 1).

1.6 Definitions and Responsibilities of Parties. The definitions and general responsibilities of the Board, Utility and Consultant are as follows:

1.6.1 Board. The Board is the client for whom the review is to be performed and is the sole point of contact for this RFP. The Board and/or its staff will:

(1) evaluate submitted proposals; (2) supervise the performance of the review; (3) review the Consultant's expenses and authorize payment. (4) use the results of the review for the purposes set forth in the RFP.

1.6.2 Consultant. The Consultant is the selected consulting firm, its personnel and subcontractors. The Consultant will: (1) perform the implementation including investigation and review under the supervision of the Board's staff; (2) report, as required, to the Board's staff; (3) submit expenses to the Board's staff for authorization of payment; (4) submit results of the investigation and review to the Board's staff, and; (5) provide testimony, if required, regarding the results of the investigation and review.

1.7 Confidentiality. Unless otherwise ordered by the Board, all aspects of this RFP, submitted proposals and performance of the audit shall be confidential.

1.8 Rejection of Proposals. The Board reserves the right to reject any or all submitted proposals not in conformance with this RFP, or for other good cause.

1.9 Proposal. Consulting firms must submit a complete response to this RFP, including a detailed work plan to this RFP using the format provided in Section 2.1. There must be one original, signed by an official authorized to bind the consulting firm to its provisions, and 10 copies. The proposal must remain valid for the length of the review. Once all accepted proposals are reviewed, the Board's staff may require interviews with the remaining consulting firms to discuss the contents of the proposals. Both the RFP and the proposal will comprise contractual obligations for the selected Consultant, unless modified by mutual consent.

1.10 Incurred Costs. Neither the Board nor its Staff shall be liable for any Costs incurred by the Consultant prior to the Board's staff's authorization to execute a written agreement signed by the Board and the Consultant.

1.11 Compensation. Payment of any contractual costs incurred subsequent to the signing and authorization of a written agreement will be made upon receipt of the Consultant's invoice as set forth in Section 3.4. Payment of invoices will be 100% of the undisputed amount of expenses professional and support staff fees. Disputed amounts shall be subject to arbitration by the Board.

## SECTION 2. PROPOSAL CRITERIA

2.1 Format. Review of the proposal will be based on the following format:

2.1.1 Summary. A discussion reflecting the consulting firm's understanding of the proposed review.

2.1.2 Work Plan. A discussion setting forth the consulting firm's work plan, as follows:

- A. approach, with emphasis on the techniques for collecting and analyzing data;
- B. products to be delivered and time estimates for each task;
- C. sequence and relationship of all areas to the experience of the personnel in each category, and;
- D. methods of managing the review.

2.1.3 Experience. A resume of the consulting firm indicating previous experience with full identification of all references and descriptions of assignments completed.

2.1.4 Personnel. Resumes of all personnel to be involved in the review, including previous experience, clients served and respective dates. Experience should reflect previous work assignments for each person as it relates to the area of their assignments.

2.1.5 Relationship with the Utilities. A statement indicating any prior, existing or prospective relationship, financial or otherwise, between the consulting firm, its personnel or subcontractors, and the Utilities being reviewed.

2.1.6 Costs. List separately total fixed cost of services, itemized as follows:

- A. professional and support staff fees of all personnel, consisting of the projected hours and rate per hour for each category;
- B. supplies and materials;
- C. all travel expenses, including transportation, meals, lodging, etc., and;
- D. any other direct costs.
- E. costs incurred after completion of the assessment, i.e., if necessary for the presentation of findings, cross examinations, hearings and all other procedural matters, will be in addition to the cost of the review, and are to be negotiated between staff and the consultant.



Costs for the performance of work determined to be outside the initial scope of the RFP by the Board or its staff will be only incurred with specific written authorization by the Board's staff. The hours worked shall be billed at the average professional rate per hour based upon all professional rate categories set forth in Section 2.1.6. If the Board's staff determines additional hours to be necessary, said hours shall be considered to be a modification to the written agreement and shall be mutually agreed upon by Board staff and the consultant unless otherwise ordered by the Board.

2.2 Other Information. Any other information which may assist in the review of a submitted proposal, such as brochures, literature or samples of recent assignments completed, may be submitted with, but shall not be considered part of, the proposal. The Board may award a contract for any or all Parts listed under the Scope.

### SECTION 3. REVIEW PROCEDURE

3.1 Safety Standards. When on the Board's or the utilities' premises, the Consultant must comply with all regulatory standards and Utility policies dealing with safety, insurance and work specifications.

3.2 Project Control. The Review will be performed in accordance with the written agreement. There will be no direct reporting by the Consultant to anyone but the Board or its Staff. All written and oral communications will be through the Board's staff. The Consultant may be requested to discuss the audit's progress with the Board's staff, as necessary.

3.3 Progress Reports. The Consultant shall submit at a minimum, monthly written reports, or

as the Board staff may require, for any month in which work was performed. The report shall consist of a general narrative providing adequate information regarding the status of the review, with an explanation of any discrepancies between the work plan, implementation action plans and actual progress.

3.4 Invoices. All invoice amounts shall be supported by appropriate documentation at the Consultant's office and may be subject to an audit by the Board and/or the Utility for a period of two years after the completion of the review. The invoice should be itemized as in Section 2.1.6 and shown in relation to the contractual cost.

3.5 Development of Final Report. The results of this Review shall be filed with the Board in a final report detailing that the consultants professional opinion that the utility has implemented the recommendation that are of concern to the Board in a satisfactory manner in accordance with the Board's Order and the company's implementation action plans.

**ATTACHMENT 1****ESTIMATED SCHEDULE**

1.	Send RFP to prospective consulting firms	10/26/00
2.	Receive letters of intent from prospective consulting firms	11/3/00
3.	RFP review conference	11/9/00
4.	Receive proposals from prospective consulting firms	11/21/00
5.	Board selects consultant	12/23/00
6.	Signing of contract	1/02/01
7.	Review begins	1/02/01
8	Consultant files Final Report.	6/29/01